[Mr. E. G. Salter.]

paying us Rs. 7000 a day. From this Honourable Members will be fully aware of the extremely difficult situation which confronts us. That we have been able to continue as we have, has been due entirely to the loyalty, enthusiasm and honest endeavour of the mechanical staff of the Transport Department who by virtue of such enthusiasm have shown to India what the artisans of Travancore can do. We are the only organisation, I think, in the whole of India producing motor car pistons. That is a matter of intense pride. My job was only to direct the staff in the use of their own talents to try to make a part here and to improvise there and try to carry on. To that extent, I suggest the Transport Department has not failed the public of Travancore (President's bell.)

The question that Government be granted a sum of Rs. 32,21,863 under Demand IX—State Transport was put and carried.

The grant was made.

DEMAND X—CLAY REFINING AND PORCELAIN FACTORY.

Mr. K. N. Madhava Panickar : Sir, I beg to move for a grant of Rs. 4,36,300 under Demand X—Clay Refining and Porcelain Factory.

Mr. Kochikal P. Balakrishnan Tampi: Sir, I am glad to see that this factory is producing articles which are in great demand. My only request is that a definite percentage of the articles produced there may be made available for use in the State. I am also glad that a new Expert has been appointed. I hope that the Expert will be able to keep up the tradition of fine workmanship which his predecessor kept. Now, again I have to fall upon rumours. There is a fear expressed in some quarters that some gentleman or firm working the Rubber Factory is entering or trying to negotiate the purchase or partnership in regard to the Ceramic Factory.

Rajyasevapravina G. Parameswaran Pillai: It is not correct Sir.

Mr. Kochikal P. Balakrishnan Tampi: My fear is enhanced by the fact that Mr. Pandit, the Manager of the Rubber Factory, took a statement from workers, clerks and employees of the Ceramic Factory whether they wish to serve in a private firm. In regard to these vital matters sometimes it is seen that an act is done before they come to the Legislature. Some of the institutions for which we have spent large sums of money are given on lease to private companies or firms. There may be a difference of opinion

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regarding the steps taken by the Government. The Rubber Factory our Alkalies, our Sugar Factory, etc., all these have been leased to private companies or firms. This is the investment from which we expect a large sum of money. If without proper consultation of the Legislature one fine morning we are told that some partnership has been entered into with an outside firm or individual just as was done in the case of the Rubber Factory what can we do ? I am glad of the assurance made by the Chief Secretary regarding it. I came to know that Mr. Pandit took a statement from the employees of the Ceramic Works. I do not know under whose orders he did it. I wish to get information on this.

Mr. K. N. Madhava Panicker : With regard to the first question raised by the Honourable Member we have got certain articles and we have already sent some to the Sales Depot, Trivandrum for sale.

With regard to the second point the management is engaged in the minute examination of the possibilities to eliminate waste of any kind and to increase the output, so much so by the time our schemes fructify early next year, the rate of production may be doubled. Perhaps it will indicate the future of the Industry.

With regard to the third point I have to say that these rumours are unfounded. Actually there was an informal discussion regarding the advantages and disadvantages of the commercial concern run by Government. The Honourable Member will please note "run by Government" and the commercial concern run as a part of the Government or a department of Government. Much could be said on both sides on the merits and demerits but the whole thing is under consideration.

Rajyasevapravina G. Parameswaran Pillai : On the last point I think it will be well to clarify the position. Representations have been received from the employees in the Ceramic Factory, which Factory is to-day a department of Government run on a temporary basis. Some of them have asked that they might be confirmed as public servants under Government and that the department itself might be run as a part of the Government, as a permanent department of the Government with all the rules relating to pay and pension applicable to every servant in the factory. It was put up before Government for consideration whether the Ceramic Factory should not be regarded as a part of the permanent civil service or whether the whole of it or part of it might not be regarded as a commercial concern, with these emoluments fixed on a basis not on the same footing as the civil service regulations but on the basis of provident fund and bonus attached to their emoluments. The question was raised and the Government did not want to decide the matter before the employees themselves were consulted over it. And the Ceramic Expert was to enquire

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[Rajyasevapravina G. Parameswaran Pillai.]

into the matter and report. The whole matter is pending consideration, even the final report has not been received. The Government are not aware of any written statements being demanded or taken by any party.

President : Order, order. As certain questions of general policy have been incidentally raised and as there is very great need to clarify the issues and put them beyond the reach of controversy, let me indicate the policy of Government in regard to industrialisation. Reference has been made to a foreign firm conducting the Sugar Factory. It may be remembered that the original Sugar Factory was a catastrophic failure and that the Travancore Sugars went into liquidation under discreditable circumstances and were never able to pay any dividends. It was entirely run by Travancoreans, presumably for the benefit of Travancore. Therefore and having regard to the fact that Messrs. Parry and Company have practically a monopoly of Sugar production in the south of India, that they own the Samalkot factory, that they own the Kanipet factory, that they own a factory in Tinnevelly District and that the production and marketing of sugar throughout South India is practically in their hands, Government took what cannot but be regarded as the only prudent course, namely to negotiate with the Company in order that they might give us their expert knowledge for the purpose of resuscitating an industry which had languished and which had ruined many investors in Travancore. The Travancore Sugars has got Travancoreans as Directors on the local Board, and the Government have a Director on the Board. The actual management is by Messrs. Parry & Co., and the result has been a consistant series of annual profits from the time that the new factory came into existence, and Government have been getting not less than Rs. 40,000 per year as their net profit from the concern.

Machinery and appurtenances for a rubber factory were purchased by the Travancore Government and the expenditure was about Rs. 7 to 8 lakhs. It was entrusted to a Travancore Concern. Not only did the Travancore concern mismanage the Rubber Factory but some of the machinery and many of the chemicals disappeared. No dividend was ever declared. Then Sir Chanibhoy Madhowlal, one of the leading industrial magnates of Ahmedabad and Bombay, who has been running a rubber factory in Bhavangar was asked to co-operate with us. He came here and the Rubber Factory was started and though, no doubt, the profits have been enhanced on account of war conditions on a total outlay of less than Rs. 8 lakhs the profits were more than 8 lakhs for last year alone. There are many other instances of banking and industrial failures due either to mismanagement or lack of business capacity or organisation which are plants of gradual growth.

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In future whether with regard to Coastal shipping or with regard to Chemical or other Industries, this Government, as I wish to say definitely here and now, without any possibility of doubt, will engage the services of, will utilise the advice of anybody, European or Indian, who is an expert in the business in question wherever he is, whether in England, in America or in India. The question of starting industries is of such vital importance and urgency to this country that we cannot afford to wait until Travancore enterprise, capital, casts off its shyness and prefers industrial investments to usury or the purchase of land and still more land or what is worse speculative floatations of superfluous companies. We shall not wait until Travancore business magnates get to be more business-like.

And the vote that I am asking this House to give today is with regard to that policy and I shall be guided to a large extent by that vote. It is open to Travancoreans to say "Never mind, we have and shall treasure our resources. We shall not develop them now. The war and the aftermath of the war will lead to industrial disequilibrium but it does not matter. We need not start any new industries until Travancoreans can exclusively start them. We can wait if need be for 20, 30 or 40 years as we have waited for decades already. By that time Travancore will get more industrially-minded, and Travancore Directors will get more commercially-minded and more businesslike and these concerns may then prosper". If, on the other hand, they want the pace of industrialisation to be commensurate with the vital needs of the situation, which in my opinion cannot be trifled with and if the country realises that "We must industrialise now and at once or perish," the policy will be pursued, which has now been initiated.

With regard to Coastal Shipping, I do not wish to keep secret that we are now negotiating with one of the biggest concerns in India. They will start a company here on the basis of large capital including in its scope coastal traffic, backwater traffic and if need be, other forms of transport. It will be a Travancore Company. Shares will be open to Travancoreans but the expert advice of outsiders will be sought for. In the case of the Chemicals and Manures Company also, which again will be a Travancore Company expert advice and the organising capacity of outsiders will be sought for and have been obtained. A Chemical Factory will come into existence. The Company itself will be started in the course of a month or a month and a half and the concern will come into existence within the course of some months thereafter. The capital will necessarily run to many lakhs; how much of it will be

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[President.]

called up depends upon the needs of the moment. And that will be run on the scientific side by outside experts who know cheimical work who have done these manurial work and who have been adequately trained and equipped.

But in all these concerns we have made it clear that every outsider who comes here for the purpose of starting these industries, will train a certain number of local men to take his place after him and, as in the case of the Porcelain Factory, when local men are available, Government will not hesitate to put in local men in management of the concern. The ultimate idea is to run all our industries with our own capital and with the aid of our own trained men on the directorate and on the staff. But it must be very clearly understood that the policy of Government also is to utilise immediately and for our present purposes the financial position, the financial resources, the industrial resources, expert and scientific resources, and the intellectual resources of outsiders when such resources are not locally available wholly or partially. This vote will thus determine whether the House is in favour of such a policy or is against that policy. If it is in favour of that policy, the policy of industrial development on the lines I have indicated, will be pursued. We have, in pursuance of this policy of Government, given concessions to certain people to start a factory for the manufacture of caustic soda, to start factories for the manufacture of chemicals, to start coastal shipping enterprises. All these matters may be reconsidered if the vote is against Government. If the vote is in favour of Government, Government will proceed as originally planned.

Mr. K. K. Kuruvilla: I would like to know the policy of Government in regard to cottage industries and the relation between them and the big industries.

President: The undoubted policy of Government is not to introduce any industry here which will compete with or eliminate the cottage industries of the State. For instance weaving mills will never be encouraged. Offers have been made by important weaving mill-owners. I do not mind saying this. Honourable Members know that we have no excess profits tax here, and there is a very heavy excess profits tax in British India and therefore, as the Government of India apprehended, a large number of capitalists in India desire to go to Indian States and start big concerns. This Government have declined to give any concession to weaving mills because yarn alone is needed here, and what we require is a first class spinning mill. In other words, where the competition is between an existing cottage industry or a potentially valuable cottage indus-

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try and a big industry which will annihilate that cottage industry, that outside industry will not be allowed any facilities. As a matter of fact concession has been given for a spinning mill with a capital of Rs. 40 lakhs and the mill will be started within a year. That is for the purpose of getting rid of our dependence upon outside concerns for yarn and in order to stimulate the weaving industry here.

The question that Government be granted a sum of Rs. 4,36,300 under Demand No. X—Clay Refining and Procelain Factory, was put to vote and carried.

The grant was made.

DEMAND XI—GENERAL ADMINISTRATION.

Rajyasevapravina G. Parameswaran Pillai: Sir I rise to move for a grant not exceeding Rs. 3,69,385 under Demand XI—General Administation.

DEMAND XII—GENERAL ADMINISTRATION—FINANCIAL SECRETARIAT ACCOUNTANT—GENERAL'S OFFICE AND LOCAL AND AUDIT DEPARTMENT.

"[**Mr. A Lekshminarayana Ayyar:** Sir, I rise to move for a grant not exceeding Rs. 2,52,166 under Demand XII—General Administration — Financial Secretariat, Accountant General's office and Local Fund Audit Department.

DEMAND XIII—GENERAL ADMINISTRATION—LEGISLATIVE BODIES.

Rajyasevapravina G. Parameswaran Pillai: Sir, I rise to move for a grant not exceeding Rs. 65,300—under Demand XIII—General Administration—Lagislative—Bodies.]"

Mr. M. Sulthan Muhiadheen: സർ, പബ്ലിക് സർവീസ് ഡിപ്പാർട്ട്മെന്റിൽ നിന്നും നടത്തുന്ന കട്ടുമുക്കും ഉദ്യോഗനിയമനങ്ങളെപ്പറ്റി മുസ്ലീങ്ങൾക്ക് വലിയ പരാതിക്ക് അവകാശമില്ലെങ്കിലും ഗവണ്മെന്റിൽനിന്നും നേരിട്ട നടത്തുന്ന നിയമനങ്ങളെപ്പറ്റി മുസ്ലീങ്ങൾക്ക വലിയ പരാതിക്കിടയുണ്ട്. മുസ്ലീങ്ങളോട് വളരെ അനുഭാവമുള്ള സഖാവ് പോത്തമന്റെ മരണക്കാലത്തു് ഞങ്ങൾക്ക് ഇപ്രകാരമുള്ള പരാതി പറയാൻ ഇടവന്നതിൽ മനസ്സാപമുണ്ടെങ്കിലും, വളരെക്കാലമായി ഞങ്ങളുടെ സങ്കടം ഗവണ്മെന്റിനെ അറിയിച്ചിട്ടും യാതൊരു പരിഹാരവു

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